

**OFFICIAL FILE
ILLINOIS COMMERCE COMMISSION**

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

ILLINOIS
COMMERCE COMMISSION

ORIGINAL

In the matter of the application of ATMOS ENERGY CORPORATION, for an order authorizing the issuance of up to 1,175,216 shares of common stock remaining through its Long-Term Incentive Plan in an amount not to exceed \$41,250,000 pursuant to Section 6-102 of the Public Utility Act

§
§
§
§
§
§
§
§

CHIEF CLERK'S OFFICE

Docket No.

05-0387

APPLICATION FOR ISSUANCE OF SECURITIES

To the Illinois Commerce Commission:

Atmos Energy Corporation (hereinafter sometimes referred to as "Petitioner" or "Company") respectfully states as follows:

1. Petitioner is a corporation duly organized and existing under and by virtue of the laws of the State of Texas and the Commonwealth of Virginia, with its principal office and place of business located at 1800 Three Lincoln Centre, 5430 LBJ Freeway, Dallas, Texas 75240. Petitioner is a public utility within the meaning of the Public Utilities Act of Illinois and is engaged in the business of distributing and selling natural gas in Central and Southern Illinois, at various farm taps in Central Illinois, and in various municipalities in the States of Georgia, Tennessee, Virginia, Missouri, Mississippi, Iowa, Kansas, Texas, Louisiana, Colorado and Kentucky.

2. The 1998 Long-Term Incentive Plan was adopted by Atmos' Board of Directors on August 12, 1998. The purpose of the 1998 Long-Term Incentive Plan ("LTIP") is to attract and retain the services of able persons as employees and non-employee Directors, to provide such persons with a proprietary interest in the Company through the granting of incentive stock options, non-qualified stock options, stock appreciation rights or restricted stock and to motivate employees and non-employee Directors using per-

formance related incentives linked to longer-range performance goals and the interests of Atmos' shareholders, whether granted singly, in combination, or in tandem that will increase the interest of such persons in the Company's welfare; furnish an incentive for such persons to continue their services for the Company; and provide a means through which the Company may attract able persons as employees and non-employee Directors. The types of awards that may be granted under the 1998 LTIP include incentive stock options, non-qualified stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, bonus shares, and other stock unit awards. Employees receiving cash bonuses pursuant to Atmos' Annual Incentive Plan for Management have the option to convert all or a portion of the cash bonus to shares of stock issued pursuant to the 1998 LTIP. The Commission previously approved the issuance of 1,500,000 shares of common stock through the 1998 LTIP in Docket No. 98-0682 in an Order issued on January 15, 1999. The Commission also approved the issuance of an additional 2,500,000 shares of common stock through the 1998 Long-Term Incentive Plan in Docket No. 02-0665 in an Order issued on May 21, 2003. The authorization by the Order in Docket No. 98-0682 expired in January 2004. A total of 324,784 shares of the 1,500,000 shares authorized by the order in that docket were issued prior to the expiration of the authority. Petitioner is requesting the Commission to authorize the remaining 1,175,216 shares of common stock originally approved for issuance in Docket No. 98-0682 to continue to be available for issuance through the LTIP. The authority that is granted by the Commission order in this docket will completely replace the expired authority in the order issued in Docket No. 98-0682. The future issuance of the 1,175,216 shares of common stock authorized by order in this docket will be issued under exclusive authority from this order; the authority granted by order issued in Docket 98-0682 is and will continue to have expired as related to the remaining 1,175,216 shares of com-

mon stock. The authority granted in Docket No. 02-0665 will remain unaffected by the requested authority in this Application.

3. Petitioner represents that any net proceeds from the issuance of the common stock will be used for general corporate purposes.

4. Petitioner further represents that the issuance of the common stock, as described herein, will continue to be beneficial to Petitioner and its customers and that the public will be inconvenienced thereby, as was found by the Order in ICC Docket No. 98-0682.

5. Petitioner represents that all corporate actions necessary to authorize the issuance and sale of such common stock are still in full force and effect from the actions taken prior to the Commission issuance of the Order in ICC Docket No. 98-0682.

6. Petitioner shall pay all costs and expenses of implementing and administering the issuance of the common stock. Since Petitioner paid the Illinois fees for the authorization of these shares as ordered in the Order in ICC Docket No. 98-0682, Petitioner does not expect to have to pay any additional Illinois fees as a result of this Petition.

7. Attached hereto and made a part hereof are the following Exhibits:

Exhibit A – Statement of Financial Condition

Exhibit B – Balance Sheet

Exhibit C – Pro Forma Income Statement

Exhibit D – Pro Forma Balance Sheet

Exhibit E – Statement of Actual and Pro Forma Capitalization Ratios

Exhibit F - Board of Directors' Resolution

Exhibit G – Testimony of Laurie Sherwood

WHEREFORE, Petitioner requests that the Commission will, after hearing, enter an appropriate order or orders:

- A. Authorizing Petitioner to issue up to 1,175,216 shares of common stock in an amount not to exceed \$41,250,000 through its Long-Term Incentive Plan.
- B. Granting to Petitioner such other, further and different relief in the premises as the Commission may deem appropriate.

Respectfully submitted this 22 day of June, 2005.

ATMOS ENERGY CORPORATION

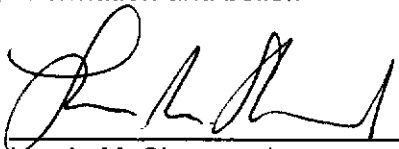
By: Gary A. Brown
Gary A. Brown
Sorling, Northrup, Hanna, Cullen &
Cochran Ltd.
Suite 800, Illinois Building
607 E. Adams Street
Springfield, Illinois 62705
(217) 544-1144

Douglas C. Walther
Senior Attorney
Atmos Energy Corporation
1800 Three Lincoln Centre
5430 LBJ Freeway
Dallas, Texas 75240
(972) 855-3102

VERIFICATION

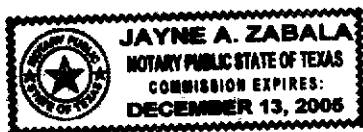
STATE OF TEXAS §
 §
COUNTY OF DALLAS §

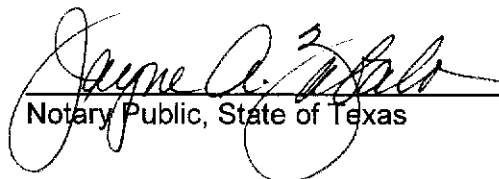
The undersigned, being under oath, says that she is the Vice President and Treasurer of Atmos Energy Corporation, Petitioner named in the above and foregoing Application, that she has read said Application, knows the contents thereof and that the same is true to the best of her personal knowledge, information and belief.



Laurie M. Sherwood
Vice President and Treasurer
Atmos Energy Corporation

Signed and sworn to before me this 20th day of June, 2005, by Laurie M. Sherwood, as Vice President and Treasurer of Atmos Energy Corporation, on behalf of said corporation.





Notary Public, State of Texas